ePro Requisition Approval Process Change

Department Manager Approval for ePro Reqs >= $100,000
Background

• A business process review determined that department level approval is advisable for most requisitions >= $100,000 to ensure
  – the purchase is appropriate
  – the purchase is approved
  – sufficient funds are available

• Hospital administrative directors, Facilities Procurement, ITS, Internal Controls and University Audit support this change in business process.
An analysis was performed to determine the appropriate dollar threshold to mitigate risk to the university and to contain the workload impact on the units.

$100,000 was identified as the minimum threshold.

This captures 78% of university spend and affects only 7% of purchase orders.
## All Online Procurement Services & Online POs \( \geq \$100,000 \) for FY 2010 As % of Unit’s Total*

<table>
<thead>
<tr>
<th>Department Group</th>
<th>Count of POs</th>
<th>Sum Dollar Amount (M)</th>
<th>% of Unit POs ( \geq $100K )</th>
<th>% of Unit Spend ( \geq $100K )</th>
</tr>
</thead>
<tbody>
<tr>
<td>UMHS</td>
<td>508</td>
<td>$359.2</td>
<td>8%</td>
<td>75%</td>
</tr>
<tr>
<td>ITS</td>
<td>125</td>
<td>$46.9</td>
<td>19%</td>
<td>77%</td>
</tr>
<tr>
<td>Plant</td>
<td>59</td>
<td>$295.4</td>
<td>9%</td>
<td>96%</td>
</tr>
<tr>
<td>All Other Depts</td>
<td>298</td>
<td>$86.1</td>
<td>5%</td>
<td>49%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>990</strong></td>
<td><strong>$787.6</strong></td>
<td><strong>7%</strong></td>
<td><strong>77%</strong></td>
</tr>
</tbody>
</table>

*Unit’s total including only POs \( \geq \$5,000\).  
If unit’s total includes all POs, % of Unit POs \( \geq \$100,000 \) is 0.4%, representing 68% total spend.
Who is impacted?

• All Department Managers in units where an ePro requisition is $100,000.
• There are exceptions for requisitions which already have an extended workflow approval process.
How will it work?

- Automated workflow will route ePro reqs \( \geq \$100,000 \) first to the department manager for approval.
- After the department manager approves the ePro req, the workflow will follow the path as it does today to Procurement.
Things to Know

• The ePro req *requestor* and the department manager cannot be the same person.
• PO voucher(s) will still go to the department manager for approval when greater than or equal to $10,000.
• Hospital Capital Asset requisitions will not route to department managers. They will route as they currently do now.
When will this start?

• This change will be incorporated in the 9.1 PeopleSoft Upgrade to occur August 2011
• Additional communications will be shared regarding
  – options for alternate department managers
  – reports for managing the process
Questions or Feedback?

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